

becoming the world's consumer of last resort, a role that is leading to ever higher levels of foreign indebtedness financed in large part by central banks of China, Japan and other Asian countries.

And not just Asian. As this chart illustrates, the amount of debt being held by foreigners is going up. Japan, over \$100 billion over last year to a level of \$681 billion. They are literally owning us, owning our debt.

Europe, \$471.8 billion. And a lot of that, I think, comes through the London markets, particularly the oil markets. So this masks some of the buying that actually is occurring through the Middle East.

China, Hong Kong, at a level now of over \$295 billion. And those kinds of ownership of our assets and debt means we owe them interest. And that level of interest is what I want to discuss tonight.

The proportion of our foreign-held debt is now nearly half of what we owe as a country. Nearly half. It has grown exponentially, and the interest we pay on that debt is one of the largest components of the Federal budget. In fact, in this coming fiscal year, the interest alone that Americans will pay to foreigners for their borrowings to us will be nearly \$100 billion. Take the amount that we have to pay Hong Kong and China for what they have lent to us. We will pay them over \$13 billion. How much is \$13 billion? \$13 billion is nearly equal to all of the money we spend as a Federal Government financing student loans in the Pell grant program to make post-secondary study a reality for thousands of students.

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How about the \$30 billion in interest that we will owe Japan, when you think that that amount is \$6 billion more than we devote to funding the No Child Left Behind Act. And it is twice as much as we spend on funding employment training and unemployment services combined.

In Ohio, for example, this past week only one school in the northeastern part of Ohio got funds in order to do additional job training, though President Bush campaigned very hard on that issue in Ohio. Ohio did not get 15 grants or 20 grants, we got one.

Our money is going to pay interest to foreigners who are lending us money. We are cutting money for Head Start by more than \$11 billion, and yet we are paying over \$100 billion to foreign interests who are lending us money. We cannot afford to pay TRICARE for the needs of those in the Guard and Reserve, many of whom are returning home and finding their benefits are cut, and we have a shortfall in the veterans affairs budget. All of those accounts put together are a pittance compared to the interest that we are paying on our foreign-owned debt.

I have introduced, along with several of my colleagues on both sides of the aisle, H.R. 4405, The Trade Balancing

Act of 2005, which will require that in cases in which the annual trade deficit, that is the trade gap, the difference between imports and exports, between the United States and another country is \$10 billion a year for three consecutive years, the President must take the necessary steps to create a more balanced trading relationship with that country.

I am asking my colleagues to help communicate this message to the President, to our colleagues, before a foreclosure sign is posted on our Treasury building. There could be nothing more important that this Congress could do than to turn a sound economy over to the future.

Madam Speaker, I will place these additional articles in the RECORD. Let us put America back on an even keel.

TRADE DEFICIT HITS RECORD, THREATENING U.S. GROWTH

(By Edmund L. Andrews)

WASHINGTON, Dec. 14.—The United States' trade deficit ballooned to a record in October, the government said Wednesday, with imports climbing much faster than exports even though prices for imported oil declined.

The trade deficit widened by \$3 billion, to \$68.9 billion, confounding forecasts on Wall Street that the gap would narrow and signaling that the nation's huge trade imbalance has not begun to stabilize.

The nation's deficit is on track to top \$700 billion this year, up from last year's record of \$618 billion, and its foreign indebtedness is rising at least as rapidly.

Because imports are about 50 percent higher than exports, the United States would need to increase exports twice as fast as imports simply to keep its imbalances from growing even more.

The widening gap is likely to reduce the nation's overall growth in the final quarter of this year. Morgan Stanley reduced its forecast for growth this quarter to 3 percent, from 3.4 percent on Wednesday, and Merrill Lynch shaved its already pessimistic forecast to just 2.3 percent.

News of the deficit also ignited a fresh round of political accusations in Washington over trade and globalization, with Democrats accusing President Bush of being soft on countries like China.

The United States stepped up its purchases from every part of the world and in most categories of goods, even as global demand softened, the Commerce Department reported.

The trade deficit with China through October hit \$166.8 billion, exceeding the \$162 billion deficit with China for all of last year.

Over all, the Commerce Department estimated that American exports grew by 1.7 percent in October, while imports climbed 2.7 percent.

But exports were weaker than the headline numbers implied, because virtually all of the increase stemmed from a big increase in aircraft sales after the end of a strike at Boeing.

Excluding aircraft, exports of capital goods and industrial goods were essentially flat. Exports of consumer goods declined 5.6 percent, to \$9.37 billion.

Many analysts had expected the trade deficit to narrow slightly, partly because of the increase in airplane exports and partly because oil prices declined slightly during the month.

But American thirst for imported petroleum shot up 13 percent, largely to make up for the loss of production in the Gulf of Mexico cause by Hurricane Katrina.

The United States' trade deficit with the Organization of the Petroleum Exporting Countries totaled \$77 billion for the first 10 months of this year, up from \$59.1 billion for the same period last year. The higher deficit is the result of both higher oil prices over the last year and higher volumes of imports. But that was only part of the reason that the trade balance deteriorated. The trade balance for nonpetroleum products for the first 10 months of this year has widened to \$447 billion, up from \$400 billion last year.

Representative Benjamin L. Cardin of Maryland, a top Democrat point man on trade issues, accused the Bush administration of failing to create an effective strategy for dealing with unfair trade practices.

Representative Marcy Kaptur, an Ohio Democrat, stepped up her call for legislation to force the administration to take action against countries that consistently run trade surpluses with the United States of more than \$10 billion a year.

Even some Republicans expressed dismay at the size of the deficit.

"Small business owners in Maine and across the nation are fighting to remain competitive with countries such as China that flagrantly disregard fair trade practices," said Senator Olympia J. Snowe, Republican of Maine.

The Treasury secretary, John W. Snow, said the administration was pushing countries like China, but added the trade deficit was largely a result of slow growth in other countries.

"If our major industrialized trading partners were growing faster, the U.S. wouldn't have such a large trade gap," Mr. Snow said at a briefing on the economy with Commerce Secretary Carlos M. Gutierrez and Labor Secretary Elaine L. Chao.

The American economy grew at an annual rate of 3.8 percent in the first three quarters of this year, far faster than either the European Union or Japan.

A growing number of economists worry that the United States has become locked into being the world's consumer of last resort, a role that is leading to ever higher levels of foreign indebtedness financed in a large part by central banks of China, Japan and other Asian countries.

Robert Sinche, a currency strategist at Bank of America, predicted on Wednesday that foreigners would own about \$4 trillion in American assets, about 30 percent of its gross domestic product, by the end of 2006.

IRAQ AND THE 56TH BRIGADE

Mr. GOHMERT. Madam Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore (Mrs. SCHMIDT). Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GOHMERT) is recognized for 5 minutes.

Mr. GOHMERT. Madam Speaker, it was truly great to have the 56th Brigade home this past weekend from Iraq. Commanded by Colonel James "Red" Brown of Lindale, Texas, they did a great thing this past year. It was the largest deployment of troops from the Texas reserve unit since World War II. This was not just a difficult year in their own and their families' lives, it was a historical year for the ages.

Many believe that the area Iraq occupies was where mankind had its beginning. There, in the cradle of mankind,

Iraq, had an historic election of representatives to write a constitution. It drafted and approved its constitution, and now today, because of the efforts of so many military members, including the 56th, that area elected its first true representatives to lead a democratic form of government.

There are those who have said it is a quagmire in Iraq and it is a mistake for us to be there. Some made these statements because of personal heartache. Some, on the other hand, were made from partisan political motivation, and some from disdain for our president and a desire to see his efforts fail, even though it risked world stability and national security.

But our soldiers were there. They know they have done a great thing. They have seen the admiring faces of Iraqi children that were never present in Vietnam. They have heard gratitude from many there in Iraq, our soldiers have. We have not heard as much here.

They not only fought, protected and defended, the 56th, for example, built a school and other important infrastructure improvements. They also saw the frantic efforts of terrorists who were terrified that democracy and the people will begin to rule over them and their oppressive dictatorial ways. They kept many terrorists occupied there, rather than here in America.

Some say that the freedom, democracy and liberty they were fighting for and the evil they have fought against simply was not worth it. My friends, it is worth it, and they are our heroes. They and their families have sacrificed for us, and we are grateful.

My friend from Lindale, who is also a Texas Aggie and a citizen soldier, Colonel Brown, is an American patriot. He and his distinguished command Sergeant Major Chambliss led a band of great American patriots, and they led them well.

The quote from the 1800s by philosopher John Stewart Mill certainly applies to our present situation. He said, "War is an ugly thing, but not the ugliest of things. The decayed and degraded state of moral and patriotic feeling which thinks that nothing is worth war is much worse. The person who has nothing for which he is willing to fight, nothing which is more important than his own personal safety, is a miserable creature and has no chance of being free unless made and kept so by the exertions of better men than himself."

Those who have been serving in Iraq and Afghanistan and in harm's way on our behalf are some of the better people of whom Mills spoke.

Today was just an incredible day in Iraq. That for which we have been hoping and fighting happened. The Iraqis elected their first elected officials who will preside for the next years to come. There have been threats this year against any Iraqi who voted on. Those Iraqis who stuck their fingers into the ink knew they were readily identifiable for two to three weeks to any terrorist

that wanted to kill them. What courage. We have voters here who will not even go out if it sprinkles or rains, and yet they were willing to risk the threat of death. They are not out of the woods. They can see the home lights though glowing from where they have gotten.

It was particularly distasteful though that so many had stepped up their screaming and their histrionics to "pull out now." Have you wondered why the surrender call became so shrill just weeks and days before this historic election? Many of those knew if things went too well, the President's numbers might go up, the Republicans' numbers might go up. So, some had good motives, some did not. They risked the national security.

Now, because of the work of our heroes in Iraq, a great thing happened today, and we are grateful. May God comfort those who have paid with the sacrifice of a loved one in our Nation's defense. May God bless our defenders, our champions, our servicemembers. God bless their efforts and keep them safe. And through their valiant efforts may God continue to bless our America.

To those in Iraq, I say I look forward to seeing you in just a couple of days.

TRIBUTE TO SENATOR WILLIAM PROXMIRE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KIND) is recognized for 5 minutes.

Mr. KIND. Madam Speaker, early today the people of Wisconsin and this great Nation lost a great public servant, and I lost a good friend and a political hero, Senator William Proxmire. Senator Proxmire passed away at the age of 90 after a long and courageous battle against Alzheimer's.

I had the great fortune and honor to intern for Senator Proxmire after my junior year in college. He was to me all that is good and decent about public service. I valued his counsel and advice when I became a Member of the United States Congress. During his 32 years in the United States Senate, Senator Proxmire epitomized what a good public servant should be about; hard work, dedicated, principled and accountable to the people he represented.

He was famous back home in Wisconsin for two things: Shaking a lot of hands and giving out a monthly Golden Fleece Award for the most ridiculous expenditure of taxpayer dollars. I am still amazed even today when people come up to me to share their favorite Proxmire story. I swear everyone living in the State of Wisconsin during Senator Proxmire's years in office had the opportunity to shake his hand at some sporting or other public event or on the main street of their hometown.

He was tireless when it came to representing the people of Wisconsin, and tireless traveling around the State to give people a chance to meet their

United States Senator. He did it so well that in his last couple of election campaigns, he actually spent more money returning campaign contributions than he spent in his entire reelection campaign. He is probably the last person from a past political era who could do that in light of the mud-slinging and the attack ads that, unfortunately, exemplify modern campaigns.

Also as an intern, I had fun investigating some of Senator Proxmire's famous Golden Fleece Awards for wasteful government spending. Senator Proxmire was talking about fiscal responsibility before it became fashionable. Because of it, he was not the most popular guy in D.C. during those years, given the attention he would draw to wasteful programs or projects.

I am sure he would be disappointed today to see the breakdown in fiscal management of taxpayer dollars and the return of large budget deficits that jeopardize our long-term economic and military strength, and I am also sure he would be disappointed today seeing the number of ethical and criminal investigations surrounding public officials in our country.

He was a person above reproach. He believed that those involved in public service owed the people of this country a higher standard of ethical conduct, and he exemplified that conduct each and every day.

His greatest regret in office he once said was his initial support for our involvement in Vietnam. His greatest accomplishment was the ratification of the Anti-Genocide Treaty. For 19 years, Senator Proxmire delivered a daily speech on the floor of the United States Senate about the need to ratify a treaty against genocide. He found it amazing that the leader of the free world would be one of the last countries to ratify the Anti-Genocide Treaty, rather than being one of the first. But he persevered in reminding his colleagues of the moral imperative to do, and he finally ratification of the treaty shortly before his retirement in 1989.

Senator Proxmire also would deliver a speech on the Senate floor about the need to stop the proliferation of nuclear weapons throughout the world which he viewed as potentially the ultimate genocide of human race.

People back home in Wisconsin viewed him as a maverick because he called it the way he saw it. He believed in standing up for the little guy and treating everyone decently and fairly. He believed, as many of us do today, that there is too much big money in government and too much influence of large special interests affecting the public's agenda. He was a strong advocate for getting the big money out of politics and he supported campaign finance reform.

His marriage to Ellen Proxmire was a true partnership in every sense of the word. Ellen and the family endured the demands and sacrifice of public life and were by Bill's side during the difficult years battling Alzheimer's. Through